Washington State Department of Social & Health Services

WASHINGTON MEDICAID INTEGRATION PARTNERSHIP

Status Report for the Legislature
September 2004

DEPARTMENT OF SOCIAL & HEALTH SERVICES – INTEGRATION INITIATIVE

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LEGISLATIVE MANDATE

Section 201(4) of the Engrossed Substitute House Bill 2459 requires the Department of Social and Health Services (DSHS) to provide an update to the Legislature on the progress of the Washington Medicaid Integration Partnership (WMIP), as follows:

"After consultation and coordination with local elected officials and community groups to assure there will be no degradation in existing services as a result of implementing the Washington medicaid integration project, the department shall report its progress to the appropriate committees of the legislature during the 2004 September committee assembly days."

EXECUTIVE SUMMARY

ESHB 2459 authorizes the Department of Social and Health services to implement a pilot project called the Washington Medicaid Integration Partnership (WMIP). WMIP is designed to improve health care services and the quality of life for aged, blind, or disabled Medicaid clients with complex health care needs.

- Beginning in January 2005, WMIP will provide integrated chemical dependency and medical services to an estimated 6,000 low-income adults in Snohomish County.
- As soon as the service delivery networks are firmly established and approved, mental health and long-term care services will be added to the service package.
- The current fee-for-service system is complicated, creates gaps in client care and can result in unnecessary emergency room visits, misuse of prescription drugs, and poor health outcomes.
- The managed care plan approach is a cost effective way to expand client choice and improve health outcomes without adding to the public resources needed to accomplish these goals.
- Molina Healthcare of Washington, Inc. will create an integrated health care system where clients can work with one primary health care provider and a care coordination team to get well planned care.
- Continuous project monitoring and evaluation will allow the department to investigate possible concerns and make mid-course corrections if WMIP isn't producing the desired outcomes.
- The department meets regularly with the WMIP Community Advisory Board to address issues (see Appendix A), engage in joint planning and stay informed about community impacts.

"I think it sounds good – having someone to get me on the road to better health. You don't get better when there are all these different branches [of health care] to get through. This would help me get back on track. Every time I go to my clinic, I get a different doctor and have to start over. It's like not getting any medical care at all."

Current disabled Medicaid client after learning about how WMIP will work.

WMIP has established its community partnerships, resolved many issues, and is meeting its implementation timeframes. The partnership is committed to find, investigate and address emerging issues throughout the life of the project. We share the common goal of providing the best possible healthcare to our most frail Washington State citizens.

PURPOSE

Improved Care for Our Most Vulnerable Citizens

WMIP will improve health care services and the quality of life for aged, blind or disabled enrollees with the most complex health care needs by providing a more efficient delivery vehicle and bringing clients and providers together in a more effective relationship.

Beginning in January 2005, the Washington Medicaid Integration Partnership (WMIP) will provide integrated chemical dependency and medical services to an estimated 6,000 low-income adults (age 21 or older) in Snohomish County who are categorically eligible for aged, blind, or disabled Medicaid coverage. This follows several years of research and analysis looking at the current situation of these clients, results of other Washington State pilot projects, other states' experiences, and lessons learned at the federal level.

Integration is a significant change to the current system. Now, aged, blind or disabled Medicaid clients find their own doctors and use the state-issued Medical Assistance identification cards to obtain services. They often have multiple physical ailments, suffer from mental illness and chemical dependencies, and need long-term care supports to remain in their homes.

The current system is complicated. It creates gaps in client care that can result in frequent, unnecessary emergency room visits, higher and sometimes dangerous combinations of prescription drugs (from numerous medical professionals), and poor health outcomes. A system designed for this frail population should be seamless so clients can focus on improving their health rather than worrying when, and if, all their needs will be met.

Coordinated Health Care

WMIP's goal is to create a seamless system where clients can work with one primary health care provider and a care coordination team to get comprehensive care. Clients will also have access to a 24/7 toll-free nurse hotline for health care advice. Contracting for these services through a managed care plan is a cost effective way to expand client choice and improve health outcomes without adding to the public resources needed to accomplish these goals.

> **Mary Stevens has so many health conditions she keeps a list of them in her purse to keep track. Until about eight months ago, she was baffled by her symptoms. "I just felt very lost and confused about some of my illnesses," she said. That left her feeling depressed. But the state enrolled her in a disease-management program, and now she has a network of doctors who can help her with her diabetes, asthma, sleep apnea and reflux, and keep abreast of her emotional issues and her attempts to quit smoking. Her diabetes control is improving…" -- Seattle Times, 3/10/04**

Monitoring & Evaluation

WMIP is committed to monitor and evaluate the project's success as it brings disparate services together and centers them directly on clients' needs and welfare.

Continuous monitoring and evaluation is integral to judging whether the WMIP project is achieving the desired outcomes for clients. A strong monitoring and evaluation system will also allow the department to investigate possible concerns and make mid-course corrections if enrollees or the community begin experiencing any unanticipated adverse impacts.

The overall evaluation design compares changes in WMIP clients to similar "comparison" clients who continue to receive Medicaid services through our current health care delivery systems. Specific comparison elements include changes in health status, care coordination, client satisfaction, quality of care, access to care and use of health care services.

The department has developed a statewide database that will provide medical information at the individual client level. With this data, the department can:

- Collect data about all aged and disabled Medicaid clients in the state.
- Evaluate WMIP and determine what health-care services and medical treatments people receive.
- Produce parallel data analyses of other counties in order to follow changes over time that may not be related to WMIP implementation.
- Document our efforts to achieve improved care for clients with behavioral health problems, increased access to primary and preventive medical care and improved coordination of medical and long-term care services.

"Not having a care coordinator appears to place considerable mental and physical strain on repondents. 'I spend most of my time on the phone calling people, setting up appointments, or trying to get services myself, and that is very tiring. I get exhausted because I do have MS.'" In contrast, " …She [care coordinator] was concerned with the total person. She hooked up my neurologist, my internal medicine doctor, my family practice doctor, and they all connected together" This was "The one time I've ever received total care…"

Source: MedStar Research Institute – excerpts from a longitudinal survey for a managed health care delivery system for working-age adults with physical disabilities.

PROGRESS & CHALLENGES

WMIP is a pilot project aimed at demonstrating the feasibility of coordinating services that are now divided between different and occasionally distant sections of the Department of Social and Health Services.

WMIP is piloting a new service delivery system to provide comprehensive, integrated and coordinated health care for aged, blind, or disabled Medicaid clients in Washington State. Although there are some inherent difficulties in the use of pilot projects, piloting these major changes means:

- If WMIP is affordable and improves health care outcomes, the legislature can confidently go forward and make the program more broadly available.
- If WMIP does not create the desired results, the impact will be limited, and the pilot can be modified or ended.

This section discusses the progress and remaining challenges for the Washington Medicaid Integration Partnership.

Progress

The department's most critical need for successful implementation was to engage the Snohomish County community in frank discussions addressing key issues, doing joint planning, and staying informed about real-life community impacts. These discussions have not always been easy or comfortable, and certainly have not been conflict free, but have resulted in the creation of a WMIP Community Advisory Board that provides a forum for resolving issues and conflicts.The department is extraordinarily grateful to the community for going through this sometimes difficult process and its commitment, dedication, and hard work as we plan this complex and challenging project.

> **"Clients often call in and ask, 'What good is the coupon if no one will take it?' People also call in asking 'How do I find a doctor?' With managed care, clients will be able to make one call and get a doctor who can make referrals to other medical providers if needed. It will be easier than networking through their family and friends or using the phone book."**
> **-Medical Assistance Customer Service Call Center staff**

Challenges

"The strength of the partnership between...[managed care and client advocates]…is a cornerstone of success …The partners have been able to anticipate problems, resolve issues as they arise, adapt and learn from each other's expertise, and compromise around areas of disagreement. Furthermore, they have demonstrated an ability to bury turf issues and egos to move forward with a common agenda."

– Boston University re: Minnesota's UCare Complete managed care program.

As mentioned before, there are some challenges in the use of pilot projects. Two characteristics are of particular concern to the WMIP Advisory Board:

- While pilot projects offer some new approaches, not all impacts can be identified or quantified pre-implementation; and,
- Managed care adds to the benefits described in the Medicaid State Plan. It adds guarantees of quality and access to care that will not be available to people who decline WMIP enrollment.

It is vital to have healthy debates about WMIP's potential financial and service system impacts, to avoid negative outcomes and build contingency plans for others. The challenge is to determine when continued debate becomes less productive and it is time to move to risk analysis and contingency planning.

As implementation draws closer, the primary focus will become:

- Resolving likely impacts;
- Creating safeguards and/or contingency plans for less likely impacts;
- Setting up monitoring systems to ensure the project is proceeding as expected; and,
- Educating clients, providers, case managers, and the community about the WMIP project and what it means for them.

Appendix A: WMIP Progress & Challenges

Specific issues that have been identified by community members and WMIP staff are listed in Appendix A. The list is not exhaustive, but WMIP staff are committed to address each issue as it is identified.

- **Table 1 shows accomplishments to date.**
- **Table 2 describes challenges cited by the WMIP Community Advisory Board and perceived as most critical by the department. It also includes the WMIP partnership efforts to resolve or ameliorate the challenge.**
- **Table 3 provides a list of remaining community concerns currently under discussion. Each will be monitored closely throughout the life of the project so the department and the WMIP partnership can react quickly if the situation materializes.**

Project Leadership Structure

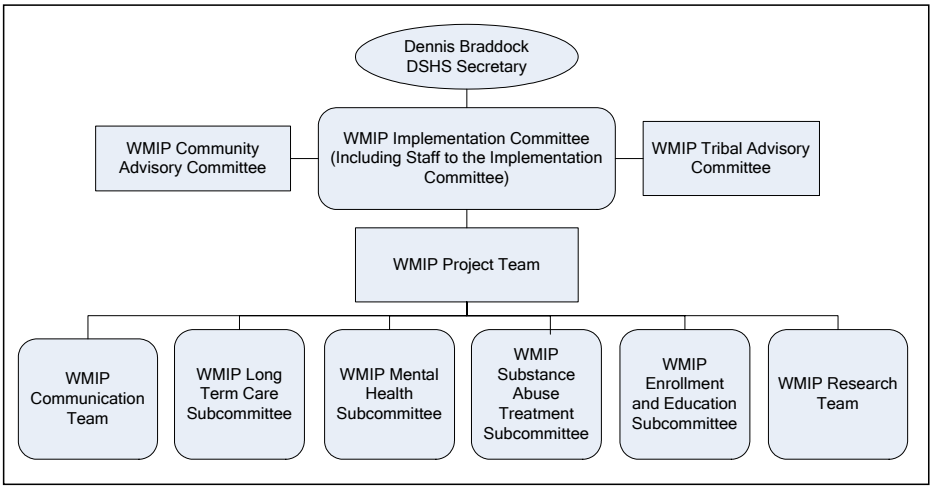
WMIP creates a structure that promotes collaboration. The department will work with its stakeholders – clients, advocates, providers and administrators of the current care systems – to stay in touch with community needs and react promptly to any implementation concerns that arise.

The first objective was to lay the groundwork for successful implementation by establishing a committee and community advisory structure so the department could proceed to set project goals, objectives, and tasks and ensure community input.

The WMIP Project Team meets regularly with concerned community members. The WMIP Community Advisory Board represents a cross-section of the Snohomish County community providers, health-care administrators, advocates, clients and public interest organizations. Project Team members have also responded to provider concerns by organizing specialized committees that will provide direct feedback on chemical dependency, mental health and long-term care issues.

The department is committed to support WMIP with the staffing, equipment and system needs it will require. This includes existing treatment clinics, as well as new client and advocate resources, toll-free nurse hot lines, on-site contract monitoring and an increased capacity to respond to the needs of both clients and providers.

WMIP Project Leadership



Project Implementation

DSHS commits to provide WMIP services & supports by January 1, 2005. Aged, blind & disabled clients are our most vulnerable clients – with an immediate need for comprehensive, integrated, and coordinated health-care.

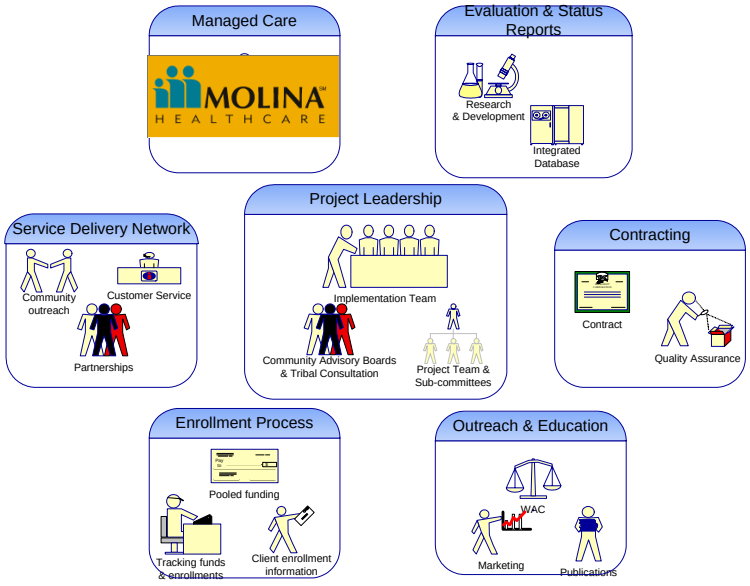
The Snohomish County pilot seeks a better model for coordinated care, so it is focused on client health outcomes and not predicated on immediate savings or expenditure caps. Monitoring, coordination, feedback, and public evaluation will continue for the life of the project.

WMIP implementation will occur in two phases:

- By January 1, 2005, integrated medical and chemical dependency, services, coordinated with benefits not initially included in the project package and capitated payment such as mental health and long-term care services; and,
- As soon as the service delivery networks are firmly established and approved, mental health and long-term care services will be added to the service package and capitated rate.

Appendix B shows the department's progress in completing the major WMIP implementation tasks, and its schedule for completing remaining tasks.

Key Areas of WMIP Implementation



SUMMARY

The Washington Medicaid Integration Partnership (WMIP) was formed to pilot major changes in Washington State's health care delivery systems. The goal is to improve health care services and the quality of life for some of our most vulnerable citizens – people who are aged, blind or disabled with complex health care needs. We are working to build a more holistic health care system – and to reduce untreated mental illness and chemical dependencies that often result in frequent emergency room visits, expensive health consequences, and high arrest rates.

If the project is successful, both the community and aged , blind or disabled Medicaid clients will benefit, and precious health care and community resources will be preserved. This is a challenging project, however, and can only succeed through sustained partnership, monitoring, evaluation and intensive collaboration with community leaders.

We expect that some aspects of WMIP will change over time, as we are dealing with real people, who have real problems, and who live in real communities. The partnership's challenge is to bundle many funding streams, while deftly following a variety of state and federal regulations, to provide comprehensive and seamless managed care for our most at-risk clients. All this must be accomplished while preserving health care services for non-WMIP enrollees in the community.

WMIP has established its community partnerships, resolved many issues, and is meeting its implementation timeframes. The partnership has systems in place – and is committed to find, investigate and address emerging issues throughout the life of the project. We share the common goal of providing the best possible health care to our most frail Washington State citizens.

"It is always uncomfortable to implement change, but the current care system is not the last word in effective health care or efficiency. Our clients deserve improvements that will better focus on and address their medical, long-term care, alcohol and drug treatment, and mental health needs. At the same time, our stakeholders, policymakers and taxpayers deserve a system that is creative, effective and accountable – securing the best value for every dollar we spend."

Dennis Braddock, DSHS Secretary

TABLE ONE: MAJOR WMIP ACCOMPLISHMENTS TO DATE	
ISSUE	**STATUS**
Community Coordination: Develop ongoing communication and develop joint plans with the community and tribes.	-Developed joint charter, WMIP subcommittees, and monitoring plans with the Snohomish County Community Advisory Board. -Ongoing contacts with Snohomish County leaders, human services providers, advocates and consumers. -Established consultative and advisory process with tribes.
Rate Structure: Create a rate structure that gives the managed care organization the ability and incentive to meet project goals.	The current rate structure encourages: -Improved access to primary and preventative medical care; -Improved coordination of care for clients with complex needs; and, -Increased use of services that offer a cost-offset to medical service use, such as chemical dependency treatment.
Evaluation: Measure project success for the target population – as well as any degradation of existing services within the larger community	The department has developed a comprehensive evaluation and monitoring plan that incorporates feedback from the Snohomish County WMIP Community Advisory Board.
WMIP Contract: Complete a successful Request for Proposal process.	Molina has been notified that it is the apparent contract winner though the final contract is still under negotiation.
Mental Health Coverage: Coordinate inpatient and outpatient mental health coverage.	WMIP will include both outpatient and inpatient mental health coverage. The implementation timeline will be adjusted to ensure development of networks and processes to support continuity of care for clients transitioning to WMIP. The timeline has been extended to decrease confusion. The coordination of services before and after integration of benefits is a high priority for the Project Team and community.
Integrating Mental Health & Long-term Care: Coordinate cost-sharing and services for clients who receive benefits from both systems.	The delay in adding mental health services will likely have a secondary benefit of allowing time for the department to better coordinate the integration of these two major service systems for WMIP clients. The contractor will be required to coordinate services with existing systems of care.

TABLE TWO: MAJOR WMIP IMPLEMENTATION CHALLENGES	
ISSUE	**STATUS**
Informed Enrollment Decision: Clients need to understand what providers are available, and what the WMIP plan offers before they can make an informed choice about whether to enroll in WMIP. Clients may experience a disruption in care related to changing providers, or if they enroll and then opt out. The delayed phase-in of mental health and long-term care services means that these providers will not be added to Molina's network until sometime after the January 2005 implementation.	-The WMIP Education & Enrollment subcommittee is producing client materials to explain the choices. -Material will go out to clients in November 2004. -Client material will be tested by to assure that it is understandable and useful. -WMIP staff will educate providers to help clients decide on the best option. -The DSHS toll-free hotline and the online provider network database will be available to clients.
Region Support Network (RSN) Infrastructure: WMIP's share of mental health funding will leave less total funding to maintain an adequate infrastructure for non-WMIP clients in Snohomish and the other four counties served by North Sound Mental Health Administration (NSMHA). The mental health funding changes mandated by the federal Centers for Medicare & Medicaid Services will be a complicating factor for the Regional Support Network.	-The division of funding will be proportional to the client base for the NSMHA and the WMIP contractor. Several RSNs have a smaller client base than NSMHA will have without WMIP clients. -The re-integration of inpatient and outpatient mental health treatment reduces the RSN's financial risk. -Rates will be risk-adjusted to address the possibility of clients with greatest need staying out of WMIP. -The evaluation will include non-WMIP Medicaid clients in all counties in the NSMHA. -Delaying WMIP mental health integration will give counties time adjust to the federal changes.
Building Strong Ties with the Provider Community: WMIP will need a strong relationship with the provider community within Snohomish County to ensure a smooth transition and coordinated care. Part of the challenge will be helping providers become comfortable with the changes and to define their role in the new system.	-A department level project manager will ensure that resources are devoted to building bridges between WMIP and the provider community. -Provider outreach and training is a focus of the Enrollment and Education Subcommittee. -Community meetings are an opportunity for providers to ask questions, provide input, and become more comfortable with the changes.

TABLE THREE: OTHER ISSUES	
ISSUE	**DSHS RESPONSE**
Will clients have less choice in picking a long-term care provider?	-The long term care benefit will not be added to WMIP until DSHS is assured of an adequate network. -Clients always have the choice to stay at their assisted living facility, even though it may mean disenrolling from WMIP back into fee-for-service.
Will there be fewer hours of service for long-term care?	Molina will have the ability to be more flexible than the traditional system in the way that they manage services. The Comprehensive Assessment Reporting Evaluation (CARE) tool will be the minimum standard for determining service levels for WMIP. Molina may design a different service plan than is reflected in CARE, but that plan must still at least meet CARE's level of service.
Will access to services be reduced, resulting in greater reliance on crisis services and/or hospitalizations?	This will be monitored throughout the pilot. The intent is to increase access to prevention services, e.g., by providing guaranteed access to a primary care physician.
How will DSHS monitor access to physician care, e.g., referral for services, wait times for appointments, etc.?	Access to medically necessary care is guaranteed under the contract, which is not guaranteed for clients in fee-for-service. Referral times, distance standards, and wait times for appointments will be monitored for compliance and corrective action taken if the contractor exceeds the standards.
Will the care be equal to care provided under fee-for service? For example, physicians may not be able to spend as much time with patients under managed care.	Molina will be held to quality of care standards that will ensure that the client outcomes and evidence-based decision making will guide any determinations of lower or higher service utilization. Success will be measured by client outcomes, not by time spent with the client. In addition, clients will receive added benefits, such as care coordination, that is not available under fee-for service.
WMIP enrollees will not have a choice of managed care plans.	WMIP enrollees do have a choice; they can stay in traditional fee-for service.
Will Molina authorize emergency room visits?	Molina authorization is not required. People who need emergency care can go straight to the emergency room.
Will clients have the same appeal rights that are currently available under fee-for-service? How will the client's voice be heard?	There is no loss of appeal rights under the WMIP project. Client rights to appeal and grievance are guaranteed by contract and are more comprehensive than the rights afforded clients in the fee-for-service system. Client surveys will be conducted annually.

TABLE THREE: OTHER ISSUES (CONT.)	
ISSUE	**DSHS RESPONSE**
How will DSHS assure that there are enough providers in Molina's network?	The WMIP program will not enroll clients until the department is assured of an adequate provider network. Molina is responsible to assure continuity of care in the event of provider turnover. Molina has a long history of successfully negotiating broad provider networks. They currently contract with many individual providers as well as large multi-specialty practices.
What happens if WMIP isn't continued after the pilot? Or if Molina backs out after a year of WMIP due to budget cuts?	Molina is unlikely to withdraw from the pilot, as their corporate office has expressed commitment to WMIP. If WMIP is not continued, it will be because tracked outcomes have not shown expected improvements. The department will ensure that clients do not lose coverage during any system changes.
Will mental health dollars be tracked to assure they are spent on mental illness treatment?	DSHS will track mental health utilization/projected expenditures. However, the emphasis in this project is on positive client health outcomes. Mental health spending could go up if that's what clients need.
Will Molina get maxed out and unable to take on new enrollees?	Molina is paid a per-client rate, so as enrollment increases, so will capacity. The only bar to enrollment is the legislatively mandated 6,000 lid for enrollees.
Clients (particularly those with mental health issues) become dependent on Washington's health-care system and support. Molina should emphasize graduating clients out of the system.	The department agrees that client independence is an important value that should be supported by WMIP.
There is a critical need to develop clinical pathways and/or mental health policies and procedures for the seamless delivery of services that this project proposes. It is essential to have clear and understandable protocols.	The integration of inpatient and outpatient mental health treatment will enhance the seamless delivery of services. Clinical guidelines are reviewed by DSHS staff prior to the approval of contracts.
Has DSHS learned enough from results in other states?	Staff have looked at the Medicaid integration efforts in Minnesota, Wisconsin, Massachusetts, Texas, Arizona, and New Mexico. Links to those states' websites are found in the WMIP website. Of note, WMIP staff consulted with the state of New Mexico, who presented their positive outcomes in an Everett public forum in February 2004. Project staff studied states with both positive and negative results, and applied lessons learned from their experiences.

TABLE THREE C: OTHER ISSUES (CONT.)	
ISSUE	**DSHS RESPONSE**
Will there be enough knowledgeable people around to explain the choices and systems changes to potential WMIP enrollees? Some clients would benefit from face-to-face training.	The department is doing extensive education and training to meet the need for knowledgeable people to explain the changes and choices. The WMIP Community Advisory Board has also made this a focus and is involved in the Education & Enrollment subcommittee to create community and provider outreach and training so others can provide information and help people understand the WMIP program. The Aging and Disability Services Administration plans to provide one on one education.
What about crisis intervention for people who cycle on and off of Medicaid?	WMIP implementation does not affect Medicaid eligibility and anyone can receive crisis services, Medicaid eligible or not.
How will this program address the problem of clients being terminated from providers for failure to show for appointments or non-compliance?	Molina's Care Coordination staff will make this support of the client-provider relationship a priority. This role is one of the main reasons that providers are willing to contract with Molina for this population.
How will the state monitor Molina to ensure that the level of service is not being reduced?	Ongoing evaluation of health plan service delivery is a critical element of contract monitoring. The state will achieve this through tracking client complaints and appeals, encounter data submission, rates of emergency room use, anecdotes from the community, etc. Prior to signing the contract, the state will review the plan's quality of care structure, such as: provider credentialing, adequacy of provider network, distance and access standards, access to specialists, and the overall Quality Management system.

APPENDIX B: WMIP TASKS & TIMEFRAMES

TIME FRAME	OBJECTIVES	TARGET DATE
November to December 2003	Establish leadership, charter, goals, objectives, committee structure & community advisory/tribal committees	Done
	Publish RFP & hold bidder's conference	Done
	Build integrated data base and plan evaluation	Done
	Develop proposed rates	Done
January to August 2004	Communication plan for DSHS & stakeholders	Done
	Plan for informing clients, staff, providers and community	Done
	Review contract proposals, site visits, and offer an intent to contract to qualified bidders	Done
	Develop enrollment processes	Done
	Develop method to blend & track state funds for integrated managed care	Done
Present to January 2005	Submit contract and rates to the federal Centers for Medicare & Medicaid Services (CMS) for approval	9/10/04
	Local health care network in place for WMIP clients	9/30/04
	Sign contract following CMS approval	10/04
	Complete publications for initial enrollment	10/31/04
	Client notices mailed so people can opt out by 12/20/04	11/1/04
	WMIP program starts with medical and chemical dependency benefits	1/1/05
Post Implementation	Training, coordination, and other basic tasks to integrate mental health & long-term care	TBD
	Monitor project & collect data about initial WMIP impacts	Ongoing
	Data analysis & evaluation	Ongoing
	Annual contract monitoring for quality control	Ongoing